

NP, POF, Pres Handwriting,
Box, 7 Folder, Pres Handwriting
Oct. 1970

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Oct. 6 1970

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[Omitted here is material unrelated to Iran]

*Pres - Tell
the oil companies
American security is
totally involved
Keep Harry's admin
of your program*

-- The Shah is feuding once again with the consortium of oil companies and Ambassador MacArthur feels that "the moment of truth" has come for the consortium and the Shah. The Shah claims that the consortium continues to be totally unresponsive and negative toward his proposals that they increase the amount of oil they are lifting for sale in non-consortium markets. He had tried to be reasonable and fair but the companies seemed to think that they owned the oil and could push the host countries around. The Shah said that he would make one final proposition to the consortium, which, if it did not accept, would oblige him to seek legislative action -- an action which would be based on "United Nations papers that make clear that mineral resources of a country belonged to the country itself rather than the foreign exploiting companies".

Secretary Richardson in Cairo and Ambassador MacArthur in Tehran covered most of the same points again with Prime Minister Hoveyda. The Prime Minister on behalf of the Shah asked that the Shah's concerns on the consortium and on continuing U.S. military supply be passed to you. (Tab A)

[Omitted here is material unrelated to Iran]

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E.O. 12356, Sect. 3.4

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